

HOUSE BILL REPORT

SSB 5044

As Reported by House Committee On:

Higher Education
Education Appropriations

Title: An act relating to the state work-study program.

Brief Description: Changing work-study provisions.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Berkey, Kastama, Schoesler, Marr, Shin, Rockefeller, Eide, Jarrett, Keiser, Tom and Kohl-Welles).

Brief History:

Committee Activity:

Higher Education: 3/6/09, 3/24/09 [DPA];

Education Appropriations: 4/1/09 [DP(w/oHE amd)].

Brief Summary of Substitute Bill

- Tasks the Higher Education Coordinating Board with adopting State Work Study rules that: (1) restrict, to the extent practicable, the proportion of funds available to nonresident students to 15 percent; and (2) encourage job placements in high employer demand occupations.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended. Signed by 11 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Angel, Carlyle, Driscoll, Grant-Herriot, Haler, Hasegawa and White.

Staff: Cece Clynch (786-7195)

Background:

The State Work Study (SWS) program helps students from low and middle income families earn money for college while gaining work experience. The SWS awards are based on student financial need, the availability of SWS funds at the institution attended, and the

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amount of other financial aid awarded. The award amount varies but is generally around \$2,000 to \$5,000 per year. In order to be eligible, a student must maintain good standing in his or her course of study and be enrolled at least half-time. Students may work an average of 19 hours per week during the academic year and up to 40 hours per week during school breaks.

Public and private employers are eligible to participate in the program. Work study programs offer many benefits to participating employers. It allows the employer to hire a student as a part-time worker at a reasonable cost since the program reimburses the employer for a portion of the student's wages. Many employers use the program to "try out" and later hire promising students as permanent employees. To participate, the employer has to sign a contract and send it, together with a short business profile and a job description, to the institution of higher education. The employer is required to keep track of hours and make sure that the student does not work more than the program allows. After the employer pays the student, the employer submits a request for reimbursement to the institution.

The Higher Education Coordinating Board (HECB) is charged with adopting SWS rules according to the terms and priorities set forth in statute:

- The SWS work must not result in the displacement of employed workers, impair existing contracts for services, or supplant classified positions.
- Priority must be given to students who are considered "resident students" for purposes of in-state tuition, particularly former foster youth. A student who is a "resident student" by virtue of being a spouse or a dependent of a person who is on active military duty stationed in the state is excepted from this prioritization.
- Job placements in fields related to academic or vocational pursuits, particularly off-campus jobs and off-campus community placements, are called out as priorities.
- Job placements in occupations that meet state economic development goals are encouraged, "especially" those in international trade and international relations.

Summary of Amended Bill:

Rules developed by the HECB shall, to the extent practicable, limit the proportion of SWS funds expended upon nonresident students to 15 percent, or such lesser amount as specified by the Legislature in the biennial appropriations act. The HECB shall prioritize, to the maximum extent practicable, nonresident students attending eligible institutions in counties bordering Oregon and Idaho when providing state subsidy to nonresident students.

The priority given to resident students shall no longer except those students who qualify as residents by virtue of being a spouse or a dependent of a person who is on active military duty stationed in the state. The rules shall encourage job placements in "high employer demand" occupations that meet the state's economic development goals, "including" those in international trade and international relations.

Amended Bill Compared to Original Bill:

To the maximum extent practicable, nonresident students attending eligible institutions in counties bordering Oregon and Idaho shall be prioritized for purposes of providing state subsidy to nonresident students.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) In border counties, there are many students from neighboring states. The 15 percent cap which has been included will cover nonresident students in these border counties. Last year about 1,400 nonresident students participated in the SWS program. This is about 15 percent of all participating students.

(Opposed) Most of the students working with the UFCW at Gonzaga are nonresident students. They are needy and do need to work and should be eligible for SWS. Many of these students come from out of state but then end up remaining in the state to work after they complete their schooling.

Persons Testifying: (In support) Scott Copeland, State Board for Community and Technical Colleges; John Klacik, Higher Education Coordinating Board; and Greg Scheiderer, Independent Colleges of Washington.

(Opposed) Sharon Ness.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

Majority Report: Do pass without amendment by Committee on Higher Education. Signed by 13 members: Representatives Haigh, Chair; Sullivan, Vice Chair; Priest, Ranking Minority Member; Anderson, Carlyle, Cox, Haler, Hunter, Kagi, Probst, Quall, Rolfes and Wallace.

Staff: Debbie Driver (786-7143)

Summary of Recommendation of Committee On Education Appropriations Compared to Recommendation of Committee On Higher Education:

The bill removes the requirement that the Higher Education Coordinating Board prioritize nonresident students attending institutions located in counties that border Oregon and Idaho when providing state subsidy to nonresident students through the State Work Study program.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill aims to ensure that State Work Study provides an adequate opportunity for resident students and also focuses upon high demand areas. Employers and students see work study as an opportunity. The bill as originally introduced was controversial in that it limited State Work Study to residents only. It has since been amended to cap the amount available to nonresidents at 15 percent. This will maintain current practice which is that about 15 percent of State Work Study money is going to nonresidents and the remainder to residents.

(With concerns) The provisions of this bill are similar to the work study provisions found in House Bill 2021 (HB 2021) with one exception. The amendment regarding institutions in border counties is not in HB 2021. The Higher Education Coordinating Board proposes to handle the high employer demand provisions of this bill and HB 2021 similarly by making up to 10 competitive grants available to institutions so that they can make the community connections necessary to place a focus on high employer demand jobs. The border counties amendment may prove difficult to administer and report upon as it imposes a priority within a limitation. This border county amendment benefits some institutions along the borders of the state while potentially hurting others within the Puget Sound region. There are two sources of work study funds, one federal and one state. They work together and both are available to residents and nonresidents.

(Opposed) None.

Persons Testifying: (In support) Senator Kilmer, prime sponsor.

(With concerns) John Klacik, Higher Education Coordinating Board; and Greg Scheiderer, Independent Colleges of Washington.

Persons Signed In To Testify But Not Testifying: None.